

MILLIMAN CLIENT REPORT

July 2018 Healthy Connections Prime Capitation Rate Amendment

July 1, 2018 through December 31, 2018

South Carolina Department of Health and Human Services

June 26, 2019

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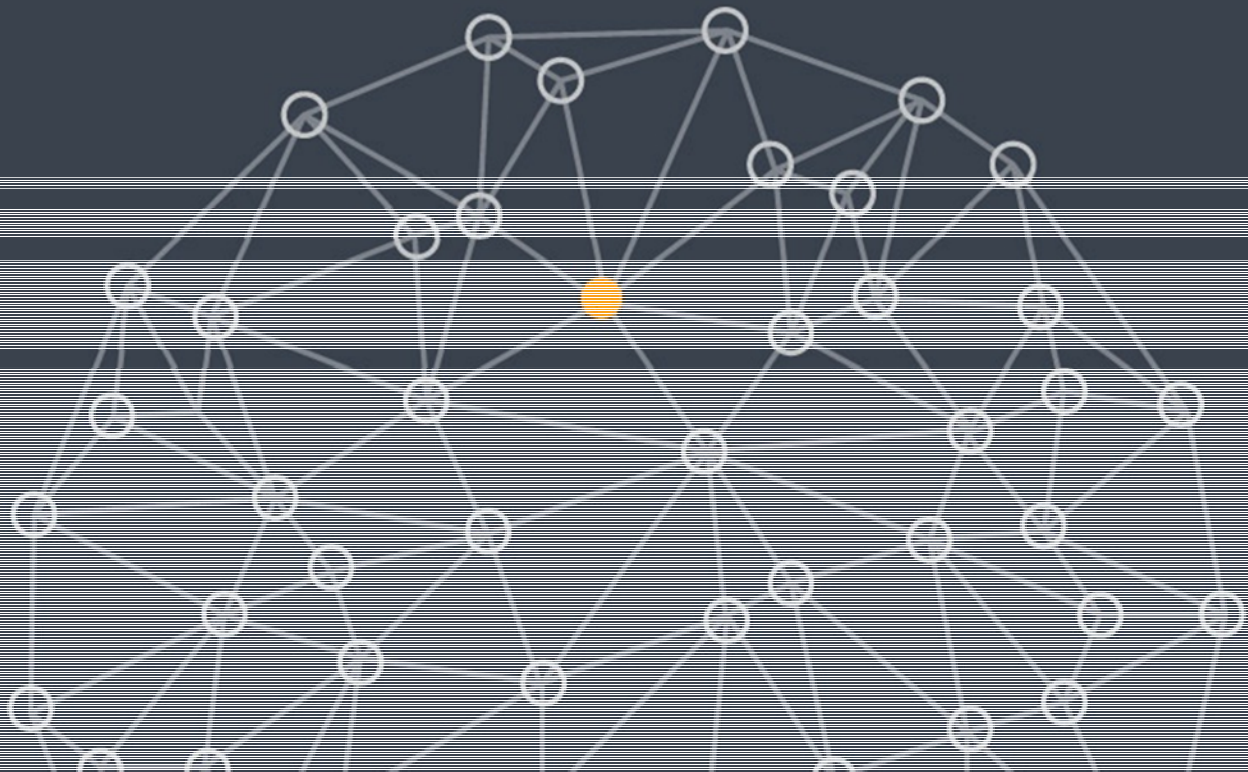


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I. Background

Milliman, Inc. (Milliman) has been retained by the State of South Carolina Department of Health and Human Services (SCDHHS) to provide actuarial and consulting services related to the development of actuarially sound capitation rates for the Healthy Connections Prime Program (Prime). This report provides a summary of the methodology used in the development of an amendment to the certified calendar year (CY) 2018 capitation rates that will be in effect July 1, 2018 through December 31, 2018. Prime is South Carolina's managed care program for the dual eligible (Medicare-Medicaid) population.

This report is an amendment to the documentation of the capitation rates developed for CY 2018. The previously certified capitation rates and the documentation of their development were published June 4, 2018, in the following correspondence provided by Milliman:

- *Calendar Year 2018 Healthy Connections Prime Capitation Rate Certification – FINAL (Original)*

We have updated the capitation rates to include new reimbursement adjustments not reflected in the Original certification. **Unless otherwise stated, the methodology and assumptions utilized are consistent with the capitation rate certification documentation included in the Original report.**

This letter provides the documentation for the development of the actuarially sound capitation rates for July 1, 2018 through December 31, 2018. It also includes the required actuarial certification in Appendix A. Unless otherwise specified, all references to "rates" or "capitation rates" throughout this document refer to the Medicaid-specific component of the Healthy Connections Prime program capitation rates.

The capitation rates provided under this certification are "actuarially sound" for purposes of 42 CFR 438.4(a), according to the following criteria:

- The capitation rates provide for all reasonable, appropriate, and attainable costs that are required under terms of the contract and for the operation of the managed care plan for the time period and population covered under the terms of the contract, and such capitation rates were developed in accordance with the requirements under 42 CFR 438.4(b).

Assessment of actuarial soundness, in the context of Prime, should consider both Medicare and Medicaid contributions and the opportunities for efficiencies unique to an integrated care program. CMS considers the Medicaid actuarial soundness requirements to be flexible enough to consider efficiencies and savings that may be associated with Medicare. Therefore, CMS does not believe that a waiver of Medicaid actuarial soundness principles is necessary in the context of this Demonstration.

To ensure compliance with generally accepted actuarial practices and regulatory requirements, we referred to published guidance from the American Academy of Actuaries (AAA), the Actuarial Standards Board (ASB), the Centers for Medicare and Medicaid Services (CMS), and federal regulations. Specifically, the following were referenced during the rate development:

- Actuarial standards of practice applicable to Medicaid managed care rate setting which have been enacted as of the capitation rate certification date, including: ASOP 1 (Introductory Actuarial Standard of Practice); ASOP 5 (Incurred Health and Disability Claims); ASOP 23 (Data Quality); ASOP 25 (Credibility Procedures); ASOP 41 (Actuarial Communications); ASOP 45 (The Use of Health Status Based Risk Adjustment Methodologies); and ASOP 49 (Medicaid Managed Care Capitation Rate Development and Certification).
- Actuarial soundness and rate development requirements in the Medicaid and CHIP Managed Care Final Rule (CMS 2390-F) for the provisions effective through the managed care program rating period ending December 31, 2018.
- The *2017-2018 Medicaid Managed Care Rate Development Guide* published in April 2017 by CMS.

- The “Joint Rate-Setting Process for the Financial Alignment’s Capitated Model” published by CMS on April 25, 2017¹.
- Throughout this document and consistent with the requirements under 42 CFR 438.4(a), the term “actuarially sound” will be defined as in ASOP 49:

*“Medicaid capitation rates are “actuarially sound” if, for business for which the certification is being prepared and for the period covered by the certification, projected capitation rates and other revenue sources provide for all reasonable, appropriate, and attainable costs. For purposes of this definition, other revenue sources include, but are not limited to, expected reinsurance and governmental stop-loss cash flows, governmental risk-adjustment cash flows, and investment income. For purposes of this definition, costs include, but are not limited to, expected health benefits; health benefit settlement expenses; administrative expenses; the cost of capital, and government-mandated assessments, fees, and taxes.”*²

In our development of the capitation rates for the Prime program, we relied on regulatory guidance related to the capitation rate setting methodology and the mandatory joint savings percentage required by the three-way contract.

¹ “Joint Rate-Setting Process for the Financial Alignment’s Capitated Model”, <https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialAlignmentInitiative/Downloads/JointRateSettingProcess042517.pdf>. Accessed 5/4/2018.

² <http://www.actuarialstandardsboard.org/asops/medicaid-managed-care-capitation-rate-development-and-certification/>

II. Executive Summary

This report is an amendment to the documentation of the Original capitation rate certification for CY 2018. We have updated those rates to include program adjustments not reflected in the Original certification. Unless stated otherwise, all assumptions are consistent with our Original certification.

SUMMARY OF METHODOLOGY

The methodology used in developing the amendment to the certified CY 2018 capitation rates for effective dates of July 1, 2018 through December 31, 2018 is outlined below.

Step 1: Base Experience

We used the projected claims data underlying the CY 2018 Prime capitation rates, as outlined in the Original certification, as base experience for developing the July 1, 2018 capitation rates. These projected claims costs are inclusive of all retrospective, prospective, trend, and other claims cost adjustments made to the data as outlined in the Original certification.

Step 2: Adjustments for prospective program and policy changes

The base experience is adjusted for known policy and program changes that are expected to be implemented in July through December 2018. Documentation of the July through December 2018 adjustment factors is provided in this report. Adjustments were applied to the base experience data to reflect program changes not included in the Original certification. The resulting values establish the adjusted claim cost by population rate cell for the contract period.

Step 3: Application of selection factor and demonstration savings

The projected claim cost by population rate cell is adjusted for selection factor and demonstration savings adjustments as documented in the Original certification. The program changes effective July 1, 2018 and documented in this report are assumed to have no impact to the selection factor developed in the Original certification.

Step 4: Development and issuance of actuarial certification

An actuarial certification is included and signed by Marlene T. Howard, FSA, a Principal and Consulting Actuary in the Indianapolis office of Milliman, Inc. Ms. Howard meets the qualification standards established by the American Academy of Actuaries and follows the practice standards established by the Actuarial Standards Board, in order to certify that the final rates meet the standards in 42 CFR 438.4(a).

FISCAL IMPACT ESTIMATE

Figure 1 provides a comparison of the July 1, 2018 rates relative to the rates effective January 1, 2018. The rates in Figure 1 reflects a 3% shared savings percentage for CY 2018. The composite rates illustrated for both July 1, 2018 and CY 2018 have been developed based on estimated average monthly enrollment for July 1, 2018 through December 31, 2018.

FIGURE 1: Comparison of CY 2018 and July 2018 Capitation Rates & Estimated Fiscal Impact

Rate Cell	Projected Jul-Dec 2018 Member Months	CY 2018 Medicaid Rate	July 2018 Medicaid Rate	Increase/ (Decrease)	Jul-Dec 2018 Estimated Impact
Community	60,766	\$ 85.61	\$ 86.00	0.5%	\$ 24,000
Nursing Facility	495	\$ 5,415.85	\$ 5,488.45	1.3%	\$ 36,000
HCBS Waiver	10,281	\$ 1,176.57	\$ 1,237.72	5.2%	\$ 629,000
HCBS Waiver – Plus Rate	18	\$ 3,411.33	\$ 3,480.32	2.0%	\$ 1,000
Composite	71,560	\$ 280.06	\$ 289.69	3.4%	\$ 690,000

Please note:

- The capitation rates reflect the current benefit package for CY 2018 approved by the State and CMS as of the date of this report. The rates may need to be revised if policy and program changes occur for this period.
- The Nursing Facility capitation rate was developed based on projected gross nursing facility rates. On an individual basis, SCDHHS will deduct the actual patient pay liability amount from the 2018 Nursing Facility capitation rate shown in Figure 1 and pay the net capitation rate to the coordinated and integrated care organizations (CICOs).
- The HCBS Waiver – Plus rate was calculated as the HCBS Waiver base rate plus two-thirds of the difference between the institutional portion of the Nursing Facility rate (less an estimated average daily patient liability amount of \$32.90, consistent with Original certification) and the waiver services portion of the HCBS Waiver base rate.
- Projected July through December 2018 member months were developed based on CY 2018 projected enrollment assumptions as presented in the Original certification.

Appendix 1 contains the actuarial certification.

Appendix 2 contains the July 2018 capitation rate summary.

Appendix 3 contains a summary of the July 2018 capitation rate amendment development.

III. Prospective Data Adjustments

REIMBURSEMENT ADJUSTMENTS: JULY THROUGH DECEMBER 2018

Adjustment Factors for the July 1, 2018 rate amendment were developed for the following reimbursement changes, known as of the date of this report, that affect the Healthy Connections Prime Program during July through December 2018. The impact to the Healthy Connections Prime capitation rates can be viewed in Appendix B and Appendix C.

WAIVER SERVICES INCREASE

Effective July 1, 2018, SCDHHS is anticipated to implement a reimbursement rate change to Personal Care I, Personal Care II, Adult Day Health Care, and Attendant Care waiver services. Based on the updated July 1, 2018 waiver services fee schedule provided by SCDHHS, the impact on the affected service categories is estimated at 7.9% on the HCBS Waiver rate cell. There is no material impact for the Nursing Facility and Community rate cells.

NURSING FACILITY REIMBURSEMENT CHANGES

Effective October 1, 2018, SCDHHS is anticipated to implement a reimbursement rate change to DHHS nursing facilities of 2.79%. Based on public notices published August 8, 2018 and August 29, 2018, the estimated impact of the rate change is 2.32% for the room and board component of the nursing facility rate and 0.47% for the non-emergency medical transportation (NEMT) nursing facility add-on. To account for the October 1, 2018 effective date, the increase for the last three months of the July through December 2018 contract period is spread over the full six month period. As such, the estimated impact to the affected Institutional categories of service for the July through December 2018 contract period is 1.4% on the Nursing Facility rate cell, 1.68% on the Community rate cell, and 1.66% on the HCBS Waiver rate cell. The Community and HCBS Waiver rate cells are presented net of patient liability and therefore have a larger impact than the Nursing Facility rate cell, which is calculated gross of patient liability.

IV. Limitations

The services provided by Milliman to SCDHHS were performed under the signed consulting agreement between Milliman and SCDHHS effective July 1, 2018.

The information contained in this letter, including the enclosures, has been prepared for SCDHHS and their consultants and advisors. It is our understanding that the information contained in this letter may be utilized in a public document. To the extent that the information contained in this letter is provided to third parties, the letter should be distributed in its entirety. Any user of the data must possess a certain level of expertise in actuarial science and healthcare modeling so as not to misinterpret the data presented.

Milliman makes no representations or warranties regarding the contents of this letter to third parties. Likewise, third parties are instructed that they are to place no reliance upon this letter prepared for SCDHHS by Milliman that would result in the creation of any duty or liability under any theory of law by Milliman or its employees to third parties. Other parties receiving this letter must rely upon their own experts in drawing conclusions about the capitation rates, assumptions, and trends.

Although the capitation rates have been certified as actuarially sound, the capitation rates may not be appropriate for any individual CICO. Results will differ if actual experience is different from the assumptions contained in the capitation rate setting documentation. SCDHHS and Milliman provide no guarantee, either written or implied, that the data and information is 100% accurate or error free.

Milliman has relied on information provided by SCDHHS and the participating CICOs in the development of the July through December 2018 capitation rates. We have relied upon SCDHHS and the CICOs for the accuracy of the data and accept it without audit. To the extent that the data provided are not accurate, the capitation rate development would need to be modified to reflect revised information.

The information contained in this letter was prepared as documentation of the actuarially sound capitation rates for the Medicaid component of the Healthy Connections Prime program in the State of South Carolina. Although the capitation rates have been certified as actuarially sound, the capitation rates may not be appropriate for any individual health plan.

Guidelines issued by the American Academy of Actuaries require actuaries to include their professional qualifications in all actuarial communications. The authors of this report are members of the American Academy of Actuaries and meet the qualification standards for performing the analyses contained herein.

Appendix A: Actuarial certification

**State of South Carolina
Department of Health and Human Services
Healthy Connections Prime Program – Medicaid Component
Capitation Rates Effective July 1, 2018 through December 31, 2018**

Actuarial Certification - Amendment

I, Marlene T. Howard, am a Principal and Consulting Actuary with the firm of Milliman, Inc. I am a Member of the American Academy of Actuaries and a Fellow of the Society of Actuaries. I meet the qualification standards established by the American Academy of Actuaries and have followed the standards of practice established by the Actuarial Standards Board. I have been employed by the State of South Carolina and am generally familiar with the state-specific Medicaid program, eligibility rules, and benefit provisions.

Assessment of actuarial soundness, in the context of Prime, should consider both Medicare and Medicaid contributions and the opportunities for efficiencies unique to an integrated care program. CMS considers the Medicaid actuarial soundness requirements to be flexible enough to consider efficiencies and savings that may be associated with Medicare. Therefore, CMS does not believe that a waiver of Medicaid actuarial soundness principles is necessary in the context of this Demonstration. The capitation rates provided with this certification are considered “actuarially sound” for purposes of 42 CFR 438.4(a), according to the following criteria:

- the capitation rates provide for all reasonable, appropriate, and attainable costs that are required under terms of the contract and for the operation of the CICO for the time period and population covered under the terms of the contract, and such capitation rates were developed in accordance with the requirements under 42 CFR 438.4(b).

For the purposes of this certification and consistent with the requirements under 42 CFR 438.4(a), “actuarial soundness” is defined as in ASOP 49:

“Medicaid capitation rates are “actuarially sound” if, for business for which the certification is being prepared and for the period covered by the certification, projected capitation rates and other revenue sources provide for all reasonable, appropriate, and attainable costs. For purposes of this definition, other revenue sources include, but are not limited to, expected reinsurance and governmental stop-loss cash flows, governmental risk-adjustment cash flows, and investment income. For purposes of this definition, costs include, but are not limited to, expected health benefits; health benefit settlement expenses; administrative expenses; the cost of capital, and government-mandated assessments, fees, and taxes.”

The assumptions used in the development of the “actuarially sound” capitation rates have been documented in my correspondence with the State of South Carolina. In the development of the capitation rates for the Prime program, I relied on regulatory guidance related to the capitation rate setting methodology and the mandatory joint savings percentage required by the three-way contract. The “actuarially sound” capitation rates that are associated with this certification are effective for the rate period July 1, 2018 through December 31, 2018.

The capitation rates are considered actuarially sound after adjustment for the amount of the withhold not expected to be earned.

The “actuarially sound” capitation rates are based on a projection of future events. Actual experience may be expected to vary from the experience assumed in the rates.

In developing the “actuarially sound” capitation rates, I have relied upon data and information provided by the State. I have relied upon the State for audit of the data. However, I did review the data for reasonableness and consistency.

The capitation rates developed may not be appropriate for any specific health plan. An individual health plan will need to review the rates in relation to the benefits that it will be obligated to provide. The health plan should evaluate the rates in the context of its own experience, expenses, capital and surplus, and profit requirements prior to agreeing to contract with the State. The health plan may require rates above, equal to, or below the “actuarially sound” capitation rates that are associated with this certification.



Marlene T. Howard, FSA
Member, American Academy of Actuaries

June 26, 2019
Date

Appendix B: Certified Capitation Rates

**South Carolina Department of Health and Human Services
CY 2018 Healthy Connections Prime Capitation Rate - Amendment
July through December 2018**

			July - December 2018 Amended Rates								
Population	Estimated Participating Member Months	CY 2018 Medicaid Rate	Projected PMPM Before Selection	Selection Factor	Projected Baseline Rate	Estimated Patient Liability	Projected Rate (Net of Patient Liability)	Demonstration Savings (Year 3)	Demonstration Capitation Rate	Percent Increase	Jul-Dec 2018 Estimated Impact
Community	60,766	\$ 85.61	\$ 88.66	1.000	\$ 88.66	\$ 0.00	\$ 88.66	0.97	\$ 86.00	0.5%	\$ 24,000
Nursing Facility	495	5,415.85	5,627.21	1.000	5,627.21	1,001.93	4,625.28	0.97	5,488.45	1.3%	36,000
HCBS Waiver	10,281	1,176.57	1,176.04	1.085	1,276.00	-	1,276.00	0.97	1,237.72	5.2%	629,000
Waiver Plus	18	3,411.33			3,587.96	-	3,587.96	0.97	3,480.32	2.0%	1,000
Composite	71,560	\$ 280.06	\$ 283.25		\$ 298.44		\$ 291.51		\$ 289.69	3.4%	\$ 690,000

1. Estimated Participating Member Months: Projected July through December 2018 member months were developed based on CY 2018 projected enrollment assumptions as presented in the Original certification.

2. Projected Baseline Rate: Illustrates the estimated Medicaid cost to the state absent the dual demonstration on a per member per month basis.

3. Demonstration Capitation Rate: Applies 3% savings to the baseline rate for Demonstration Year 3.

4. The Waiver Plus rate is estimated as the HCBS waiver rate plus 2/3 of the difference between the institutional portion of the Nursing Facility rate net of patient liability and the waiver services component of the HCBS Waiver capitation rate.

Appendix C: Capitation Rate Development

South Carolina Department of Health and Human Services Calendar Year 2018 Healthy Connections Prime Capitation Rate - Amendment July through December 2018 Capitation Rates								
Rate Cell: Community Category of Service	CY 2018 Capitation Rate					July through December 2018 Amended Capitation Rate		
	Utilization per 1,000	Cost per Service	PMPM	July 2018 Waiver Increase	October 2018 Nursing Facility Increase	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital								
Inpatient Medical/Surgical/Non-Delivery	1,096.8	\$ 230.67	\$ 21.08	1.0000	1.0000	1,096.8	\$ 230.67	\$ 21.08
Inpatient MH/SA	105.0	422.66	3.70	1.0000	1.0000	105.0	422.66	3.70
Other Inpatient	-	-	-	1.0000	1.0000	-	-	-
Subtotal Inpatient Hospital			\$ 24.78					\$ 24.78
Outpatient Hospital								
Surgery	138.2	\$ 189.93	\$ 2.19	1.0000	1.0000	138.2	\$ 189.93	\$ 2.19
Non-Surg - Emergency Room	310.7	70.32	1.82	1.0000	1.0000	310.7	70.32	1.82
Non-Surg - Other	264.0	25.21	0.55	1.0000	1.0000	264.0	25.21	0.55
Observation Room	21.8	61.57	0.11	1.0000	1.0000	21.8	61.57	0.11
Treatment/Therapy/Testing	539.9	81.66	3.67	1.0000	1.0000	539.9	81.66	3.67
Other Outpatient	22.9	106.37	0.20	1.0000	1.0000	22.9	106.37	0.20
Subtotal Outpatient Hospital			\$ 8.55					\$ 8.55
Institutional								
DHHS Nursing Home	1,621.2	\$ 163.83	\$ 22.13	1.0000	1.0168	1,621.2	\$ 166.58	\$ 22.51
DMH Nursing Home	16.4	309.94	0.42	1.0000	1.0000	16.4	309.94	0.42
Nursing Home Swing Beds	3.2	165.87	0.04	1.0000	1.0000	3.2	165.87	0.04
Hospice Room & Board	144.3	152.34	1.83	1.0000	1.0170	144.3	154.93	1.86
Subtotal Institutional			\$ 24.43					\$ 24.84
Professional								
Inpatient and Outpatient Surgery	457.9	\$ 28.37	\$ 1.08	1.0000	1.0000	457.9	\$ 28.37	\$ 1.08
Anesthesia	135.4	19.36	0.22	1.0000	1.0000	135.4	19.36	0.22
Inpatient Visits	1,409.9	21.95	2.58	1.0000	1.0000	1,409.9	21.95	2.58
MH/SA	3,382.5	11.08	3.12	1.0000	1.0000	3,382.5	11.08	3.12
Emergency Room	206.7	33.56	0.58	1.0000	1.0000	206.7	33.56	0.58
Office/Home Visits/Consults	3,224.4	30.49	8.19	1.0000	1.0000	3,224.4	30.49	8.19
Pathology/Lab	920.9	3.24	0.25	1.0000	1.0000	920.9	3.24	0.25
Radiology	792.9	17.17	1.13	1.0000	1.0000	792.9	17.17	1.13
Office Administered Drugs	27,917.9	2.26	5.26	1.0000	1.0000	27,917.9	2.26	5.26
Physical Exams	21.7	19.83	0.04	1.0000	1.0000	21.7	19.83	0.04
Therapy	79.3	4.47	0.03	1.0000	1.0000	79.3	4.47	0.03
Vision	185.2	29.53	0.46	1.0000	1.0000	185.2	29.53	0.46
Other Professional	2,323.0	6.64	1.28	1.0000	1.0000	2,323.0	6.64	1.28
Subtotal Professional			\$ 24.22					\$ 24.22
Ancillary								
Prescription Drugs	648.6	\$ 17.75	\$ 0.96	1.0000	1.0000	648.6	\$ 17.75	\$ 0.96
Transportation	38.6	60.50	0.19	1.0000	1.0000	38.6	60.50	0.19
DME/Prosthetics	9,583.5	3.92	3.13	1.0000	1.0000	9,583.5	3.92	3.13
Incontinence Supplies	347.8	31.12	0.90	1.0000	1.0000	347.8	31.12	0.90
Other Ancillary	658.9	18.05	0.99	1.0000	1.0000	658.9	18.05	0.99
Subtotal Ancillary			\$ 6.18					\$ 6.18
Waiver Services								
Personal Care I (General Housekeeping)	25.2	\$ 13.03	\$ 0.03	1.0853	1.0000	25.2	\$ 14.14	\$ 0.03
Personal Care II - Homemaker	24.9	16.93	0.04	1.0824	1.0000	24.9	18.32	0.04
Attendant/Companion	0.7	38.67	0.00	1.0549	1.0000	0.7	40.79	0.00
PA, RN, LPN, CNA Providers and Therapies	-	-	-	1.0000	1.0000	-	-	-
Home Delivered Meals	3.0	35.26	0.01	1.0000	1.0000	3.0	35.26	0.01
Adult Day Health Care	0.3	53.01	0.00	1.0800	1.0000	0.3	57.25	0.00
Case Management	1.5	72.63	0.01	1.0000	1.0000	1.5	72.63	0.01
Other Waiver Services	1.6	30.45	0.00	1.0000	1.0000	1.6	30.45	0.00
Subtotal Waiver Services			\$ 0.09					\$ 0.09
Total Medical Cost			\$ 88.26					\$ 88.66

Note: Capitation rates are presented prior to application of selection factor and demonstration savings

South Carolina Department of Health and Human Services Calendar Year 2018 Healthy Connections Prime Capitation Rate - Amendment July through December 2018 Capitation Rates								
Rate Cell: Nursing Facility Category of Service	CY 2018 Capitation Rate					July through December 2018 Amended Capitation Rate		
	Utilization per 1,000	Cost per Service	PMPM	July 2018 Waiver Increase	October 2018 Nursing Facility Increase	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital								
Inpatient Medical/Surgical/Non-Delivery	1,545.6	\$ 224.42	\$ 28.91	1.0000	1.0000	1,545.6	\$ 224.42	\$ 28.91
Inpatient MH/SA	38.0	240.84	0.76	1.0000	1.0000	38.0	240.84	0.76
Other Inpatient	-	-	-	1.0000	1.0000	-	-	-
Subtotal Inpatient Hospital			\$ 29.67					\$ 29.67
Outpatient Hospital								
Surgery	130.0	\$ 146.48	\$ 1.59	1.0000	1.0000	130.0	\$ 146.48	\$ 1.59
Non-Surg - Emergency Room	156.5	69.23	0.90	1.0000	1.0000	156.5	69.23	0.90
Non-Surg - Other	71.7	22.70	0.14	1.0000	1.0000	71.7	22.70	0.14
Observation Room	43.1	29.45	0.11	1.0000	1.0000	43.1	29.45	0.11
Treatment/Therapy/Testing	211.1	51.67	0.91	1.0000	1.0000	211.1	51.67	0.91
Other Outpatient	11.4	76.53	0.07	1.0000	1.0000	11.4	76.53	0.07
Subtotal Outpatient Hospital			\$ 3.71					\$ 3.71
Institutional								
DHHS Nursing Home	336,758.0	\$ 178.81	\$ 5,018.04	1.0000	1.0140	336,758.0	\$ 181.31	\$ 5,088.17
DMH Nursing Home	4,915.1	337.19	138.11	1.0000	1.0000	4,915.1	337.19	138.11
Nursing Home Swing Beds	100.0	166.05	1.38	1.0000	1.0000	100.0	166.05	1.38
Hospice Room & Board	23,698.3	171.03	337.77	1.0000	1.0140	23,698.3	173.42	342.49
Subtotal Institutional			\$ 5,495.30					\$ 5,570.15
Professional								
Inpatient and Outpatient Surgery	269.2	\$ 24.01	\$ 0.54	1.0000	1.0000	269.2	\$ 24.01	\$ 0.54
Anesthesia	82.5	16.38	0.11	1.0000	1.0000	82.5	16.38	0.11
Inpatient Visits	5,610.1	23.77	11.11	1.0000	1.0000	5,610.1	23.77	11.11
MH/SA	724.5	19.31	1.17	1.0000	1.0000	724.5	19.31	1.17
Emergency Room	179.7	29.14	0.44	1.0000	1.0000	179.7	29.14	0.44
Office/Home Visits/Consults	1,748.9	28.71	4.18	1.0000	1.0000	1,748.9	28.71	4.18
Pathology/Lab	122.6	5.76	0.06	1.0000	1.0000	122.6	5.76	0.06
Radiology	1,037.5	8.86	0.77	1.0000	1.0000	1,037.5	8.86	0.77
Office Administered Drugs	6,786.3	1.09	0.62	1.0000	1.0000	6,786.3	1.09	0.62
Physical Exams	0.8	57.97	0.00	1.0000	1.0000	0.8	57.97	0.00
Therapy	-	-	-	1.0000	1.0000	-	-	-
Vision	82.2	38.82	0.27	1.0000	1.0000	82.2	38.82	0.27
Other Professional	691.8	7.51	0.43	1.0000	1.0000	691.8	7.51	0.43
Subtotal Professional			\$ 19.69					\$ 19.69
Ancillary								
Prescription Drugs	1,853.5	\$ 14.59	\$ 2.25	1.0000	1.0000	1,853.5	\$ 14.59	\$ 2.25
Transportation	18.6	62.66	0.10	1.0000	1.0000	18.6	62.66	0.10
DME/Prosthetics	36,376.8	0.50	1.52	1.0000	1.0000	36,376.8	0.50	1.52
Incontinence Supplies	12.5	33.98	0.04	1.0000	1.0000	12.5	33.98	0.04
Other Ancillary	31.1	30.73	0.08	1.0000	1.0000	31.1	30.73	0.08
Subtotal Ancillary			\$ 3.98					\$ 3.98
Waiver Services								
Personal Care I (General Housekeeping)	-	\$ 0.00	\$ 0.00	1.0853	1.0000	-	\$ 0.00	\$ 0.00
Personal Care II - Homemaker	-	-	-	1.0824	1.0000	-	-	-
Attendant/Companion	-	-	-	1.0549	1.0000	-	-	-
PA, RN, LPN, CNA Providers and Therapies	-	-	-	1.0000	1.0000	-	-	-
Home Delivered Meals	0.7	26.45	0.00	1.0000	1.0000	0.7	26.45	0.00
Adult Day Health Care	-	-	-	1.0800	1.0000	-	-	-
Case Management	0.2	60.90	0.00	1.0000	1.0000	0.2	60.90	0.00
Other Waiver Services	0.2	63.01	0.00	1.0000	1.0000	0.2	63.01	0.00
Subtotal Waiver Services			\$ 0.00					\$ 0.00
Total Medical Cost			\$ 5,552.36					\$ 5,627.21

Note: Capitation rates are presented prior to application of selection factor and demonstration savings

South Carolina Department of Health and Human Services Calendar Year 2018 Healthy Connections Prime Capitation Rate - Amendment July through December 2018 Capitation Rates								
Rate Cell: HCBS Category of Service	CY 2018 Capitation Rate			July 2018 Waiver Increase	October 2018 Nursing Facility Increase	July through December 2018 Amended Capitation Rate		
	Utilization per 1,000	Cost per Service	PMPM			Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital								
Inpatient Medical/Surgical/Non-Delivery	2,501.7	\$ 225.50	\$ 47.01	1.0000	1.0000	2,501.7	\$ 225.50	\$ 47.01
Inpatient MH/SA	30.5	135.03	0.34	1.0000	1.0000	30.5	135.03	0.34
Other Inpatient	-	-	-	1.0000	1.0000	-	-	-
Subtotal Inpatient Hospital			\$ 47.35					\$ 47.35
Outpatient Hospital								
Surgery	240.8	\$ 145.11	\$ 2.91	1.0000	1.0000	240.8	\$ 145.11	\$ 2.91
Non-Surg - Emergency Room	537.9	71.63	3.21	1.0000	1.0000	537.9	71.63	3.21
Non-Surg - Other	337.8	22.78	0.64	1.0000	1.0000	337.8	22.78	0.64
Observation Room	52.4	60.42	0.26	1.0000	1.0000	52.4	60.42	0.26
Treatment/Therapy/Testing	687.2	68.38	3.92	1.0000	1.0000	687.2	68.38	3.92
Other Outpatient	28.4	82.79	0.20	1.0000	1.0000	28.4	82.79	0.20
Subtotal Outpatient Hospital			\$ 11.14					\$ 11.14
Institutional								
DHHS Nursing Home	1,185.6	\$ 173.80	\$ 17.17	1.0000	1.0166	1,185.6	\$ 176.69	\$ 17.46
DMH Nursing Home	17.1	259.76	0.37	1.0000	1.0000	17.1	259.76	0.37
Nursing Home Swing Beds	0.8	168.94	0.01	1.0000	1.0000	0.8	168.94	0.01
Hospice Room & Board	69.4	156.82	0.91	1.0000	1.0169	69.4	159.47	0.92
Subtotal Institutional			\$ 18.46					\$ 18.76
Professional								
Inpatient and Outpatient Surgery	625.0	\$ 29.66	\$ 1.54	1.0000	1.0000	625.0	\$ 29.66	\$ 1.54
Anesthesia	173.8	16.31	0.24	1.0000	1.0000	173.8	16.31	0.24
Inpatient Visits	2,897.0	21.58	5.21	1.0000	1.0000	2,897.0	21.58	5.21
MH/SA	2,425.5	12.32	2.49	1.0000	1.0000	2,425.5	12.32	2.49
Emergency Room	405.6	29.72	1.00	1.0000	1.0000	405.6	29.72	1.00
Office/Home Visits/Consults	3,895.7	26.81	8.70	1.0000	1.0000	3,895.7	26.81	8.70
Pathology/Lab	1,187.3	2.71	0.27	1.0000	1.0000	1,187.3	2.71	0.27
Radiology	1,032.1	12.26	1.05	1.0000	1.0000	1,032.1	12.26	1.05
Office Administered Drugs	43,676.5	1.39	5.06	1.0000	1.0000	43,676.5	1.39	5.06
Physical Exams	23.9	16.59	0.03	1.0000	1.0000	23.9	16.59	0.03
Therapy	68.4	5.01	0.03	1.0000	1.0000	68.4	5.01	0.03
Vision	159.1	25.37	0.34	1.0000	1.0000	159.1	25.37	0.34
Other Professional	2,046.7	7.84	1.34	1.0000	1.0000	2,046.7	7.84	1.34
Subtotal Professional			\$ 27.30					\$ 27.30
Ancillary								
Prescription Drugs	988.7	\$ 25.16	\$ 2.07	1.0000	1.0000	988.7	\$ 25.16	\$ 2.07
Transportation	142.3	49.73	0.59	1.0000	1.0000	142.3	49.73	0.59
DME/Prosthetics	52,017.8	3.16	13.69	1.0000	1.0000	52,017.8	3.16	13.69
Incontinence Supplies	15,020.7	30.37	38.02	1.0000	1.0000	15,020.7	30.37	38.02
Other Ancillary	742.5	48.95	3.03	1.0000	1.0000	742.5	48.95	3.03
Subtotal Ancillary			\$ 57.40					\$ 57.40
Waiver Services								
Personal Care I (General Housekeeping)	139,509.5	\$ 15.31	\$ 178.00	1.0853	1.0000	139,509.5	\$ 16.62	\$ 193.18
Personal Care II - Homemaker	168,261.3	26.07	365.53	1.0824	1.0000	168,261.3	28.22	395.63
Attendant/Companion	49,725.7	26.60	110.21	1.0549	1.0000	49,725.7	28.06	116.26
PA, RN, LPN, CNA Providers and Therapies	61.3	158.20	0.81	1.0000	1.0000	61.3	158.20	0.81
Home Delivered Meals	26,330.8	38.57	84.64	1.0000	1.0000	26,330.8	38.57	84.64
Adult Day Health Care	18,381.1	52.84	80.94	1.0800	1.0000	18,381.1	57.07	87.42
Case Management	11,851.5	72.00	71.11	1.0000	1.0000	11,851.5	72.00	71.11
Other Waiver Services	21,690.8	35.98	65.03	1.0000	1.0000	21,690.8	35.98	65.03
Subtotal Waiver Services			\$ 956.27					\$ 1,014.08
Total Medical Cost			\$ 1,117.93					\$ 1,176.04

Note: Capitation rates are presented prior to application of selection factor and demonstration savings



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